

Enterprise Funds

The Enterprise Funds account for operations that are financed and operated in a manner similar to private business enterprises. It is the intent that the cost of providing such goods or services will be recovered through user charges.

The State Lottery Department accounts for all receipts and expenses from the operations of the State Lottery.

The Department of Alcoholic Beverage Control operates facilities for the distribution and sale of distilled spirits and wine.

Risk Management accounts for pooled resources received and used by the Department of General Services for financing local government insurance programs. This includes Local Entities Bond Insurance, Public Officials Insurance, Law Enforcement Insurance, and Commuter Rail Insurance.

The Local Choice Health Care Program, directed by the Department of Personnel and Training, administers a health care plan for the employees of participating local governments.

The Virginia Industries for the Blind manufactures products for sale to governments, certain private organizations, and the general public.

The Consolidated Laboratory provides drinking water testing services and a newborn screening program.

The Higher Education Tuition Trust Fund administers the Virginia Prepaid Education Program.

The Department of Environmental Quality accounts for the Title V program that offers services to the general public.

Other includes:

- **Virginia Museum of Fine Arts**, which accounts for gift shop and food service activities;
- **Division of Legislative Services**, which accounts for sales of the Virginia Register, a publication which lists all proposed and final state agency regulations;
- **Science Museum of Virginia**, which accounts for gift shop activities;
- **Virginia Historic Preservation Foundation**, which acquires and sells properties of historical significance;
- **State Park Foundation**, which solicits gifts and grants for the benefit of state parks; and,
- **Department of Criminal Justice Services**, which provides testing services for law enforcement activities.

Combining Balance Sheet Enterprise Funds

June 30, 1998

(Dollars in Thousands)

	State Lottery Department	Department of Alcoholic Beverage Control	Risk Management
Assets			
Cash, Cash Equivalents, and Investments	\$ 816,412	\$ 121	\$ 54,617
Cash and Travel Advances	5	130	50
Taxes, Loans, Accounts, and Other Receivables (Net)	26,692	1,859	12
Due From Other Funds	-	-	524
Inventory	1,017	23,105	-
Prepaid Items	353	978	146
Property, Plant, and Equipment (Net)	11,853	15,831	-
Total Assets	<u>\$ 856,332</u>	<u>\$ 42,024</u>	<u>\$ 55,349</u>
Liabilities and Equity			
Liabilities:			
Accounts Payable	\$ 6,901	\$ 11,212	\$ 316
Tuition Benefits Payable	-	-	-
Claims Payable	-	-	8,265
Notes Payable	-	-	-
Obligations Under Securities Lending Program	207,925	14	4,422
Lottery Prizes Payable	631,822	-	-
Pension Liability	486	1,240	-
Other Liabilities	-	-	-
Due to Other Funds	875	3,411	-
Interfund Payable	-	21,150	-
Deferred Revenue	2,532	833	3,312
Accrued Liability for Compensated Absences	1,277	4,991	-
Total Liabilities	<u>851,818</u>	<u>42,851</u>	<u>16,315</u>
Equity:			
Contributed Capital	-	1,600	-
Retained Earnings (Deficit)	4,514	(2,427)	39,034
Total Equity	<u>4,514</u>	<u>(827)</u>	<u>39,034</u>
Total Liabilities and Equity	<u>\$ 856,332</u>	<u>\$ 42,024</u>	<u>\$ 55,349</u>

						Total
Local Choice Health Care	Virginia Industries for the Blind	Consolidated Laboratory	Higher Education Tuition Trust	Department of Environmental Quality	Other	June 30, 1998
\$ 16,561	\$ 2,251	\$ 2,678	\$ 165,667	\$ 7,602	\$ 1,917	\$ 1,067,826
-	1	-	-	-	7	193
8,928	970	14	796	155	924	40,350
-	-	-	-	-	-	524
-	1,214	30	-	-	493	25,859
110	-	-	-	-	-	1,587
-	714	380	33	-	21	28,832
<u>\$ 25,599</u>	<u>\$ 5,150</u>	<u>\$ 3,102</u>	<u>\$ 166,496</u>	<u>\$ 7,757</u>	<u>\$ 3,362</u>	<u>\$ 1,165,171</u>
\$ -	\$ 271	\$ 58	\$ 96	5	\$ 150	\$ 19,009
-	-	-	153,048	-	-	153,048
8,200	-	-	-	-	-	16,465
-	1	-	-	-	-	1
1,342	-	-	1,941	616	47	216,307
-	-	-	-	-	-	631,822
-	19	26	13	10	19	1,813
-	-	124	-	-	33	157
-	-	3	-	977	-	5,266
-	-	-	-	-	-	21,150
-	-	1,136	-	-	-	7,813
-	125	71	31	239	43	6,777
<u>9,542</u>	<u>416</u>	<u>1,418</u>	<u>155,129</u>	<u>1,847</u>	<u>292</u>	<u>1,079,628</u>
-	1,740	340	-	-	285	3,965
<u>16,057</u>	<u>2,994</u>	<u>1,344</u>	<u>11,367</u>	<u>5,910</u>	<u>2,785</u>	<u>81,578</u>
<u>16,057</u>	<u>4,734</u>	<u>1,684</u>	<u>11,367</u>	<u>5,910</u>	<u>3,070</u>	<u>85,543</u>
<u>\$ 25,599</u>	<u>\$ 5,150</u>	<u>\$ 3,102</u>	<u>\$ 166,496</u>	<u>\$ 7,757</u>	<u>\$ 3,362</u>	<u>\$ 1,165,171</u>

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

Enterprise Funds

For the Fiscal Year Ended June 30, 1998

(Dollars in Thousands)

	State Lottery Department	Department of Alcoholic Beverage Control	Risk Management
Operating Revenues:			
Interest, Dividends, Rents and Other Investment Income	\$ -	\$ -	\$ -
Charges for Sales and Services	914,204	274,970	5,949
Contributions	-	-	-
Other	-	-	-
Total Operating Revenues	914,204	274,970	5,949
Operating Expenses:			
Cost of Sales and Services	54,379	177,195	-
Insurance Claims	-	-	5,923
Personal Services	14,449	43,816	-
Contractual Services	39,542	7,912	-
Supplies and Materials	1,692	1,507	-
Grants and Distributions to Localities	-	-	-
Expendable Equipment	234	1,112	-
Depreciation	4,819	1,468	-
Rent, Insurance and Other Related Charges	4,459	9,222	-
Lottery Prize Expense	493,233	-	-
Other	-	1,500	36
Total Operating Expenses	612,807	243,732	5,959
Operating Income (Loss)	301,397	31,238	(10)
Nonoperating Revenues (Expenses):			
Interest, Dividends, Rents and Other Investment Income	10,136	19	2,755
Gain (Loss) on Sale of Fixed Assets	-	81	-
Income From Securities Lending Transactions	10,892	71	254
Expenses For Securities Lending Transactions	(10,259)	(69)	(249)
Other	177	24	-
Total Nonoperating Revenues (Expenses)	10,946	126	2,760
Income (Loss) Before Transfers	312,343	31,364	2,750
Transfers:			
Operating Transfers In	-	-	524
Operating Transfers Out	(329,481)	(32,200)	(414)
Total Transfers	(329,481)	(32,200)	110
Net Income (Loss) Before Cumulative Effect of Change in Accounting Principle	(17,138)	(836)	2,860
Cumulative Effect of Change in Accounting Principle	16,861	-	-
Net Income (Loss)	(277)	(836)	2,860
Retained Earnings (Deficit), July 1, as restated	4,791	(1,591)	36,174
Retained Earnings (Deficit), June 30	\$ 4,514	\$ (2,427)	\$ 39,034

Local Choice Health Care	Virginia Industries for the Blind	Consolidated Laboratory	Higher Education Tuition Trust	Department of Environmental Quality	Other	Total
						June 30, 1998
\$ -	\$ -	\$ -	\$ 13,933	\$ -	\$ -	\$ 13,933
52,452	8,167	1,847	566	9,469	3,037	1,270,661
-	-	-	-	-	64	64
-	-	-	7	-	-	7
52,452	8,167	1,847	14,506	9,469	3,101	1,284,665
-	3,566	-	-	-	1,305	236,445
56,555	-	-	-	-	-	62,478
-	2,664	763	567	3,824	1,026	67,109
4,691	566	427	2,130	82	161	55,511
-	-	508	8	32	176	3,923
-	90	-	-	-	-	90
-	100	19	76	-	7	1,548
-	56	32	7	-	12	6,394
-	128	441	37	-	-	14,287
-	-	-	-	-	-	493,233
-	-	-	-	-	46	1,582
61,246	7,170	2,190	2,825	3,938	2,733	942,600
(8,794)	997	(343)	11,681	5,531	368	342,065
1,178	-	-	-	378	112	14,578
-	-	-	-	-	(97)	(16)
109	-	-	218	31	2	11,577
(107)	-	-	(215)	(30)	(2)	(10,931)
-	-	-	-	-	-	201
1,180	-	-	3	379	15	15,409
(7,614)	997	(343)	11,684	5,910	383	357,474
-	-	111	-	-	-	635
-	-	(140)	-	-	(893)	(363,128)
-	-	(29)	-	-	(893)	(362,493)
(7,614)	997	(372)	11,684	5,910	(510)	(5,019)
-	-	-	-	-	-	16,861
(7,614)	997	(372)	11,684	5,910	(510)	11,842
23,671	1,997	1,716	(317)	-	3,295	69,736
\$ 16,057	\$ 2,994	\$ 1,344	\$ 11,367	\$ 5,910	\$ 2,785	\$ 81,578

Combining Statement of Cash Flows Enterprise Funds

For the Fiscal Year Ended June 30, 1998
(Dollars in Thousands)

	State Lottery Department	Department of Alcoholic Beverage Control	Risk Management
Cash Flows from Operating Activities:			
Receipts for Sales and Services	\$ 878,096	\$ 274,604	\$ 5,754
Receipts from Quasi-external Operating Transactions with Other Funds	-	-	30
Payments to Suppliers for Goods and Services	(60,645)	(186,788)	-
Payments for Quasi-external Operating Transactions with Other Funds	(1,531)	(1,049)	-
Payments for Claims and Loss Control	-	-	(4,829)
Payments for Lottery Prizes	(490,468)	-	-
Payments to Employees	(14,244)	(42,906)	-
Payments for Contractual Services	(39,542)	(6,863)	-
Other Operating Expense	-	-	-
Contributions Received	-	-	-
Other Operating Revenue	790	126	-
Net Cash Provided by (Used for) Operating Activities	272,456	37,124	955
Cash Flows from Noncapital Financing Activities:			
Payment of Principal and Interest on Bonds and Notes	-	-	-
Transfers In From Other Funds	-	-	-
Transfers Out to Other Funds	(328,076)	(110,476)	(414)
Receipts from Taxes	-	78,944	-
Advances/Contributions from the Commonwealth	-	2,006	-
Repayments of Advances from the Commonwealth	-	(143)	-
Net Cash Provided by (Used for) Noncapital Financing Activities	(328,076)	(29,669)	(414)
Cash Flows from Capital and Related Financing Activities:			
Acquisition of Fixed Assets	(5,702)	(7,583)	-
Proceeds from Sale of Bonds and Notes	-	-	-
Proceeds from Sale of Fixed Assets	-	-	-
Net Cash Provided By (Used for) Capital and Related Financing Activities	(5,702)	(7,583)	-
Cash Flows from Investing Activities:			
Purchase of Investments	(42,897)	-	-
Proceeds from Sales or Maturities of Investments	61,875	-	-
Interest on Cash, Cash Equivalents, and Investments	10,156	-	2,760
Net Cash Provided by (Used for) Investing Activities	29,134	-	2,760
Proceeds from Change in Accounting Principle	16,861	-	-
Net Increase (Decrease) in Cash and Cash Equivalents	(15,327)	(128)	3,301
Cash and Cash Equivalents, July 1	28,399	366	46,944
Cash and Cash Equivalents, June 30	\$ 13,072	\$ 238	\$ 50,245

						Total
Local Choice Health Care	Virginia Industries for the Blind	Consolidated Laboratory	Higher Education Tuition Trust	Department of Environmental Quality	Other	June 30, 1998
\$ 51,839	\$ 3,866	\$ 1,959	\$ 63,458	\$ 9,315	\$ 2,810	\$ 1,291,701
-	4,164	-	-	-	205	4,399
-	(3,977)	(415)	(75)	(25)	(1,458)	(253,383)
-	-	(445)	(134)	-	-	(3,159)
(56,636)	-	-	-	-	-	(61,465)
-	-	-	-	-	-	(490,468)
-	(2,800)	(729)	(538)	(2,603)	(1,029)	(64,849)
(4,691)	(551)	(426)	(2,046)	(79)	(161)	(54,359)
-	(321)	-	-	-	-	(321)
-	-	-	-	-	64	64
-	-	-	-	-	-	916
(9,488)	381	(56)	60,665	6,608	431	369,076
-	(6)	-	-	-	-	(6)
-	-	111	-	-	-	111
-	-	(140)	-	-	(893)	(439,999)
-	-	-	-	-	-	78,944
-	-	-	-	-	-	2,006
-	-	-	(1,975)	-	-	(2,118)
-	(6)	(29)	(1,975)	-	(893)	(361,062)
-	-	(235)	(10)	-	(2)	(13,532)
-	-	-	-	-	45	45
-	-	-	-	-	141	141
-	-	(235)	(10)	-	184	(13,346)
-	-	-	(534,091)	-	(1)	(576,989)
-	-	-	421,891	-	-	483,766
1,180	-	-	6,328	378	69	20,871
1,180	-	-	(105,872)	378	68	(72,352)
-	-	-	-	-	-	16,861
(8,308)	375	(320)	(47,192)	6,986	(210)	(60,823)
23,527	1,877	2,998	91,906	-	1,989	198,006
\$ 15,219	\$ 2,252	\$ 2,678	\$ 44,714	\$ 6,986	\$ 1,779	\$ 137,183

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Combining Statement of Cash Flows

Enterprise Funds (Continued from Previous Page)

For the Fiscal Year Ended June 30, 1998

(Dollars in Thousands)

	State Lottery Department	Department of Alcoholic Beverage Control	Risk Management
Reconciliation of Operating Income			
To Net Cash Provided by (Used for)			
Operating Activities:			
Operating Income (Loss)	\$ 301,397	\$ 31,238	\$ (10)
Adjustments to Reconcile Operating			
Income to Net Cash Provided by (Used for)			
Operating Activities:			
Depreciation and Amortization	4,819	1,468	-
Interest, Dividends, Rents and Other Investment Income	(41,898)	-	-
Miscellaneous Nonoperating Income	790	126	-
Change in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(13,312)	140	63
(Increase) Decrease in Inventory	1,445	1,611	-
(Increase) Decrease in Prepaid Items	505	(140)	(146)
Increase (Decrease) in Accounts Payable, Deposits Pending, and Other Liabilities	(3,272)	2,978	17
Increase (Decrease) in Tuition Benefits Payable	-	-	-
Increase in Lottery Prizes Payable	44,664	-	-
Increase (Decrease) in Claims Payable	-	-	1,196
Increase (Decrease) in Due to Other Funds	-	-	-
Increase (Decrease) in Deferred Revenue	(22,797)	(506)	(165)
Increase (Decrease) in Compensated Absences	115	209	-
Net Cash Provided by (Used for)			
Operating Activities	<u>\$ 272,456</u>	<u>\$ 37,124</u>	<u>\$ 955</u>
Reconciliation of Cash, Cash			
Equivalents and Investments:			
Per the Balance Sheet:			
Cash, Cash Equivalents, and Investments	\$ 816,412	\$ 121	\$ 54,617
Cash and Travel Advances	5	130	50
Less: Investments with Original Maturities			
Greater than Three Months	<u>803,345</u>	<u>13</u>	<u>4,422</u>
Cash and Cash Equivalents per the			
Statement of Cash Flows	<u>\$ 13,072</u>	<u>\$ 238</u>	<u>\$ 50,245</u>

							Total
Local Choice Health Care	Virginia Industries for the Blind	Consolidated Laboratory	Higher Education Tuition Trust	Department of Environmental Quality	Other	June 30, 1998	
\$ (8,794)	\$ 997	\$ (343)	\$ 11,681	\$ 5,531	\$ 368	\$ 342,065	
-	56	32	7	-	12	6,394	
-	-	-	(13,136)	-	-	(55,034)	
-	-	-	-	-	-	916	
(2,521)	(137)	12	(796)	(154)	18	(16,687)	
-	(302)	(3)	-	-	(13)	2,738	
(110)	-	-	-	-	-	109	
-	(230)	151	12	992	46	694	
-	-	-	62,885	-	-	62,885	
-	-	-	-	-	-	44,664	
1,937	-	-	-	-	-	3,133	
-	-	(1)	-	-	-	(1)	
-	-	90	-	-	-	(23,378)	
-	(3)	6	12	239	-	578	
<u>\$ (9,488)</u>	<u>\$ 381</u>	<u>\$ (56)</u>	<u>\$ 60,665</u>	<u>\$ 6,608</u>	<u>\$ 431</u>	<u>\$ 369,076</u>	
\$ 16,561	\$ 2,251	\$ 2,678	\$ 165,667	\$ 7,602	\$ 1,917	\$ 1,067,826	
-	1	-	-	-	7	193	
<u>1,342</u>	<u>-</u>	<u>-</u>	<u>120,953</u>	<u>616</u>	<u>145</u>	<u>930,836</u>	
<u>\$ 15,219</u>	<u>\$ 2,252</u>	<u>\$ 2,678</u>	<u>\$ 44,714</u>	<u>\$ 6,986</u>	<u>\$ 1,779</u>	<u>\$ 137,183</u>	

